

# ***Acquisition of Services Policy Implementation Review***

**Mr. Skip Hawthorne**

**Defense Procurement and  
Acquisition Policy**

# ***Background***

- **Public Law 107-107 of the FY 2002 NDAA required DoD to establish a management structure for the Procurement of Services. The management structure was required to include:**
  - A designated official at OSD and in each department/agency to exercise responsibility for the management of services
  - A means by which employees in those organizations would be accountable to such officials
  - Dollar thresholds and other criteria forming the basis for formal review
  - A Data Collection System to provide management information with regard to each service acquired [What service, contract vehicle, who purchased, competition employed etc.]
- **USD(AT&L) Issued Management Policy on May 31, 2002**
  - Policy described a review process, established oversight thresholds, and specified what would be reviewed
  - Permitted oversight to be delegated to service/agency level once their acquisition of services management approach was ***certified*** by an OSD team led by ARA
  - ***Services were reviewed and approved, the remainder were certified by the decision official***
- **USD (AT&L) Policy letter was institutionalized in the May 12, 2003 issuance of DoDI 5000.2**

# ***What is a Service Acquisition?***

## ***Service***

**A requirement to perform an identifiable task, or tasks, rather than to furnish an end item of supply**

## ***Service Acquisition***

**The execution of one or multiple contracts or other instruments for committing or obligating funds to acquire services that meet a specified requirement.**

# ***Review Responsibilities***

## **The USD(AT&L) policy requires:**

- An acquisition strategy
- Cost, schedule and performance metrics
- Business arrangements in the best interest of DoD
- A strategic approach
- Rigorous Initial and Periodic Review

# ***Decision Authority for Acquisition of Services***

- **USD(AT&L):** >\$2B or Special Interest
- **ASD (NII):** MAIS thresholds (>\$32M in a single year or total program costs > \$126M or total life cycle > \$378M)
- **CAE or HCA:** > \$0.5B but less than \$2B
- **Component Designated Officials:** < \$0.5

***Maximum authority delegated to Component  
decision makers***

# ***Current Status***

- ***Current Policy in place over 2 years***
- ***Steadily Increasing Expenditures on Services***
- ***Continued Congressional Interest***
- ***Our responsibility to provide disciplined oversight and identify opportunities for additional efficiency***

***Time to Conduct an In-Process Review***

# ***Director, DPAP***

## ***Acquisition of Services Review***

- ***Review Content:***

- Service/Agency Acquisition of Services Implementation Policy
- Accountable Executive Responsibilities and Organization
- Selected Acquisitions by specified dollar threshold
- Current status of major service acquisitions
- Lessons Learned
- Opportunities to Improve
- Policy change proposals

- ***The Scheduling Process:***

- **Letter specifying review content and schedule will be issued by early March**
- Military Services first, remainder as soon as schedule permits
- A minimum of one month to prepare

# ***We Need Your Support***

- Advise your staff of the upcoming review
- Provide them with my name and contact information and request they contact me with the name of your POC
- Conduct internal reviews as you deem necessary

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